FULLERTON FUND MANAGEMENT

Fullerton Total Return Multi-Asset Income

March 2025

Investment Objective

The investment objective of the Fund is to generate regular income and long term capital appreciation for investors by investing in equities, fixed income, cash and other permissible investments.

The Fund will invest primarily in a diversified portfolio of collective investment schemes, other investment funds, exchange traded funds ("ETFs") (including but not limited to gold ETFs), securities and/or hold cash, as deemed appropriate by us in accordance with its investment objective.

Fixed income securities and/or collective investment schemes invested by the fund may be denominated in SGD and/or foreign currencies. Prior to 5 March 2025, foreign currency denominated fixed income securities and/or collective investment schemes will generally be hedged back to the SGD except for some frictional currency limit (to account for possible deviation from a 100% hedge). From 5 March 2025, a portion of the foreign currency denominated fixed income securities and/or collective investment schemes will generally be hedged back to the SGD (base currency of the fund) at our discretion according to investment views.

The fund may use FDIs (including, without limitation, treasury futures, interest rate futures, equity futures, gold futures, options, interest rate swaps and foreign exchange forwards) for hedging and efficient portfolio management purposes.

Fund Information

Fund Size	SGD 228.59 million
Base Currency	SGD
Preliminary Charge	Currently up to 5%
Dealing Frequency	Every Business Day
Subscription Mode	Cash, SRS

Manager’s Commentary

Market Review

The first quarter of 2025 was a tumultuous period for financial markets, marked by a complex interplay of economic indicators, trade policies, and monetary decisions. Initially, optimism surrounding the Trump Administration's pro-growth policies had buoyed market sentiment, but by March, concerns about tariffs and their potential impact on economic growth took center stage. This shift in sentiment was further complicated by significant technological disruptions, notably the release of DeepSeek's AI model in late January. This breakthrough raised questions about the valuations of major tech companies, causing a temporary stir in the market before being overshadowed by unfolding trade tensions.

The Trump Administration's aggressive trade policies, including tariffs on imports from major trading partners like Canada and Mexico, dominated market sentiment from February onwards. The fear of retaliation and economic contraction led to a notable shift in investor focus towards potential economic slowdowns. This anxiety prompted market participants to take profits from their U.S. equity investments in March and redirect their funds towards European equities. The impact of this reallocation was evident in the performance of the U.S. equity market, where the S&P 500 Index ended the quarter -4.4% lower in dollars, effectively reversing the gains made in the first two months. This decline was also reflected in the global equity index MSCI AC World, which fell -4.0% in dollars in March and ended the quarter down -1.3% in dollars.

In contrast, European equities experienced a robust performance, with the MSCI Europe Index returning a significant 10.5% for the quarter in dollars. This out-performance was bolstered by positive developments in Europe, particularly in Germany. The new German coalition government announced plans to establish a €500 billion infrastructure fund and lift constraints on defense spending, contributing to an upbeat equity sentiment in the region.

In Asia, the picture was more mixed. MSCI China equities saw a substantial gain of 15.1% for the quarter in dollars, driven by expectations of stimulus announcements following China's Two Sessions. However, equities from other export-reliant Asian countries were negatively impacted by the uncertainty surrounding impending tariffs, leading to declines in March. Despite these challenges, the MSCI Asia ex-Japan Index managed to post a modest gain of 1.8% for the quarter. In Japan, a hawkish stance by the Bank of Japan, coupled with an appreciating yen, largely erased the gains made earlier in the quarter, resulting in a meager return of 0.4% in dollars for the MSCI Japan Index.

The month of March 2025 was marked by significant monetary policy adjustments across major economies. The European Central Bank, the Bank of Canada, and the Bank of Mexico all eased monetary policy by cutting their policy rates by 25 basis points (bps). This move was aimed at stimulating economic growth amidst rising global uncertainties. In contrast, the Federal Reserve (Fed) maintained its interest rates but announced an indirect easing measure by reducing the monthly redemption cap on Treasury securities by $20 billion. This decision signalled a cautious approach to monetary policy, reflecting concerns about economic growth and inflationary pressures.

Weak economic data releases from the Institute of Supply Management's surveys on both manufacturing and services, following the Fed's meeting in March, suggested that further easing measures might be necessary. These indicators pointed to a slowdown in economic activity, which could necessitate additional support from central banks to maintain growth momentum.

In fixed income markets, the benchmark 10-year U.S. Treasury yield closed at 4.21% at end March, marking a decrease of 36 bps since the end of 2024. This decline reflected a combination of factors, including the Fed's cautious stance and broader economic uncertainties. In contrast, the German Bund yield rose to 2.74%, an increase of 37 bps, largely due to market reactions to Germany's planned spending boost funded by a higher budget deficit. This fiscal expansion was expected to have lasting impacts on global bond markets, as it increased the supply of German government debt and pushed yields higher.

In Japan, the 10-year government bond yield ended the quarter at 1.49%, up 39 bps. This rise was partly a response to shifts in monetary policy, as the Bank of Japan had discontinued its negative interest rates and yield curve control policy since March 2024. The move towards more conventional monetary policy settings reflected a changing economic landscape in Japan.

Despite these challenges, fixed income assets generally performed well during the quarter. The JACI Investment Grade Index returned 2.2% in dollars, while the longer-duration Bloomberg Global Aggregate Index returned 2.6% on an unhedged basis, benefiting from a depreciating U.S. dollar. However, when hedged against currency fluctuations, the return was more modest at 1.2% in dollar.

Commodity markets also saw positive trends in March, largely due to a weaker U.S. dollar. Copper prices rose significantly on concerns about potential tariffs on U.S. copper imports, given that the U.S. relies heavily on imported copper. Gold continued to reach record highs, driven by fears about U.S. deficits and ongoing geopolitical and trade tensions. Crude oil prices rebounded from oversold levels, despite concerns about lower demand due to a slowing economy, reflecting the tightness of the oil market.

Overall, the calendar quarter highlighted the complex interplay between economic indicators, trade policies, and monetary policy decisions, influencing market dynamics and investor sentiment.

Investment Outlook and Strategy

Looking ahead, the investment landscape is becoming increasingly complex. The risks to current growth forecasts are biased to the downside, primarily due to U.S. reciprocal tariffs to be implemented in April and potential retaliation from trading partners. This environment necessitates a more agile investment strategy, with a focus on tactical asset allocation shifts. Key areas to monitor include updates to U.S. trade policy, Germany's economic rejuvenation, and China's economic policies emerging from its Two Sessions.

Despite the short-term risks, equities are expected to continue delivering superior returns in the long term. However, in the near term, downside risk management strategies will be necessary to protect investments. This could involve shifting away from equities and towards safe assets to mitigate potential losses.

FULLERTON FUND MANAGEMENT

Performance (%)

	1 mth	3 mths	YTD	1 year	3 years	5 years	Since Inception	Volatility
A-SGD (bid-to-bid)	-1.85	-1.68	-1.68	8.36	3.49	-	1.76	9.41
A-SGD (offer-to-bid)	-6.52	-6.36	-6.36	3.20	1.82	-	0.46	NA
B-SGD (bid-to-bid)	-1.85	-1.68	-1.68	8.37	3.49	-	1.76	9.41
B-SGD (offer-to-bid)	-6.52	-6.36	-6.36	3.20	1.82	-	0.46	NA
B1-USD (bid-to-bid)	-1.36	-0.23	-0.23	9.27	3.90	-	1.58	11.00
B1-USD (offer-to-bid)	-6.05	-4.98	-4.98	4.06	2.22	-	0.28	NA
C-SGD (bid-to-bid)	-1.85	-1.68	-1.68	8.36	3.49	-	1.76	9.41
C-SGD (offer-to-bid)	-6.52	-6.36	-6.36	3.20	1.82	-	0.46	NA
C1-USD (bid-to-bid)	-1.36	-0.18	-0.18	9.52	3.86	-	1.54	11.06
C1-USD (offer-to-bid)	-6.06	-4.93	-4.93	4.30	2.19	-	0.24	NA

Returns are calculated on a single pricing basis with net dividends and distributions (if any) reinvested. Offer-to-bid returns include an assumed preliminary charge of 5% which may or may not be charged to investors. Returns more than a year are annualised.

Asset Allocation (%)[1]

Equities	60.2
Fixed Income	24.5
Cash and cash equivalents*	13.4
Commodities	2.0

Note: *Cash and cash equivalents included short-term US Treasury Bills.

Country Exposure (%)[1]

US	48.2
Japan	7.8
Germany	6.2
India	5.6
Singapore	5.2
France	4.1
Taiwan	3.4
Hong Kong	3.3
China	3.1
Korea	2.9
Switzerland	2.0
Others (Developed Markets)	2.6
Others	5.5

Top 5 Holdings (Fixed Income, % of NAV)

MEIJI YASUDA LIFE INSURA 6.1% JUN 2055	0.7
BANK MANDIRI PT 4.9% MAR 2028	0.6
PETRONAS CAPITAL LTD 4.95% JAN 2031	0.6
SAUDI ELECTRICITY SUKUK 5.489% FEB 2035	0.5
AIR PRODUCTS AND CHEMICALS INC 4.8% MAR 2033	0.4

Sector Exposure (%)[1]

Financials	25.7
Industrials	14.7
Communication Services	14.3
Information Technology	13.9
Consumer Discretionary	12.2
Consumer Staples	5.4
Materials	4.4
Health Care	4.0
Utilities	3.1
Energy	1.3
Sovereigns & Supranational	0.9
Real Estate	0.2

Top 5 Holdings (Equities, % of NAV)

Netflix Inc	3.3
Cie de Saint-Gobain SA	2.9
Alphabet Inc	2.9
JP MORGAN CHASE BANK NA	2.8
Amazon.com Inc	2.6

Fund Statistic

Fixed Income	
Duration	6.3 years
Average Credit Rating[2]	A-
Yield-to-Worst[3]	5.1%
Equities[4]	
Dividend Yield	1.4%
Price to Book	2.7x
Price to Earnings	18.6x

FULLERTON FUND MANAGEMENT

Dividend History[5]

	Dividend / share	Record Date	Annualised Dividend (%)
Class B	SGD 0.0035	28 Feb 2025	4.63
Class B	SGD 0.0033	28 Mar 2025	4.46
Class B1	USD 0.0035	28 Feb 2025	4.68
Class B1	USD 0.0033	28 Mar 2025	4.49
Class C	SGD 0.0049	28 Feb 2025	7.14
Class C	SGD 0.0047	28 Mar 2025	7.02
Class C1	USD 0.0049	28 Feb 2025	7.24
Class C1	USD 0.0047	28 Mar 2025	7.07

Fund Details

	Class A	Class A1
Inception Date	16 June 2021	To be incepted
NAV per Unit[6]	SGD 1.07	To be incepted
Management Fee	Currently 1.00% p.a.	Currently 1.00% p.a.
Initial Investment	None	None
Subsequent Investment	None	None
ISIN Code	SGXZ43030667	SGXZ70708284
Bloomberg Code	FULTRMA SP	FULTMA1 SP

	Class B (Distribution)	Class B1 (Distribution)
Inception Date	16 June 2021	16 June 2021
NAV per Unit[6]	SGD 0.91	USD 0.90
Management Fee	Currently 1.00% p.a.	Currently 1.00% p.a.
Initial Investment	None	None
Subsequent Investment	None	None
ISIN Code	SGXZ89799159	SGXZ86998101
Bloomberg Code	FULTRMB SP	FULTMB1 SP

	Class C (Distribution)	Class C1 (Distribution)
Inception Date	16 June 2021	16 June 2021
NAV per Unit[6]	SGD 0.83	USD 0.82
Management Fee	Currently 1.00% p.a.	Currently 1.00% p.a.
Initial Investment	None	None
Subsequent Investment	None	None
ISIN Code	SGXZ13306394	SGXZ69984508
Bloomberg Code	FULTRMC SP	FULTMC1 SP

Note: All fund data are sourced from Fullerton, Bloomberg dated as at 31 March 2025, unless otherwise stated.

1. Numbers might not add due to rounding. Countries that are below 2% are classified under Others (Developed Market) and Others. ETFs with no sector classification are classified under Others. Country and Sector exposures exclude derivatives, Gold, cash and cash equivalents but include ETFs.
2. Where the security is not rated by external rating agencies, Fullerton's internal rating methodology will apply.
3. Refers to Yield-to-Worst in base currency, before hedging.
4. This represent the underlying holdings in Fullerton Lux Funds.
5. Please refer to our website for more details on the dividend payouts.
6. Figures are truncated to 2 decimal places. Please refer to Fullerton's website for official price.

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